CHAPTER 2

FINANCIAL MANAGEMENT OF RESOURCES

Each year the Navy must have billions of dollars to carry out its mission. This money comes from the taxpayers of the United States as determined by Congress.

The Navy must keep accounts to show how the money is spent. The accounts show the receipt and expenditure of public funds; the amount of government money, materials, and property on hand; and the cost of all operations, broken down by projects and programs. All these functions are part of financial management. Financial management is necessary to guarantee that government property and money are economically used in the public interest. Cost data assembled by projects and programs are used for budget planning and justification.

Although as an Aviation Storekeeper (AK), you are not an accountant or bookkeeper, you will often account for large amounts of public funds in the form of materials and stores. You are also involved in the preparation and processing of requisitions that constitute an expenditure of public funds. In addition, in keeping ship's operating target (OPTAR) records and submitting required reports, you are accounting for public funds.

Accounting for material and accounting for cash are basically the same. All government accounting is performed with the objective of guaranteeing that expenditures are made according to the desires expressed by Congress when the program was approved and the funds appropriated. According to this objective, records must be kept so that transactions can be examined at a later date and reconstruction of events made. Also within this objective, the disposition of funds and material must be provable. The logic of this recordkeeping is easy to understand if you have some knowledge of the overall financial operation of the government.

RESOURCE MANAGEMENT SYSTEM

The resource management system (RMS) is a series of systems designed to promote better management procedures throughout the Department of Defense (DOD) by providing managers with improved methods of obtaining and controlling resources required to accomplish the assigned missions.

A resource manager is any individual, either military or civilian, who is accountable and responsible for carrying out a significant mission or function and who makes decisions that will have a significant effect on the resources used.

As an AK you have daily contact with some aspect of the RMS. An understanding of the background, objectives, and terms used will provide you with a clearer picture of the system. The following paragraphs contain some RMS definitions and information about the background and objectives applicable to all activities within the DOD.

DEFINITIONS

For a better understanding of the RMS, take a look at the following definitions of terms used throughout the AK community.

Accrual accounting is the method used where operating costs are accounted for in the fiscal (accounting) period during which the costs of resources consumed or applied are received.

Aviation Operating Forces include aviation squadrons, units, staffs, and ships supporting aircraft (for aviation funds only) assigned to the fleet accounting and disbursing centers (FAADCs) for accounting purposes.

Expense element codes are codes established by DOD to classify expenses for cost accounting and reporting purposes. They are listed and defined in the *Navy Comptroller (NAVCOMPT) Manual,* volume 2, chapter 4.

An *expense limitation* is the financial authority issued by a major claimant or subclaimant to an intermediate level of command, An example of an intermediate level command is the type commander (TYCOM), COMNAVAIRLANT or COMNAVAIRPAC.

A *field (shore) activity,* for purposes of the RMS, is a shore station that is issued an operating budget. It could be issued this operating budget by a major claimant; subclaimant, or expense limitation holder, depending on who has immediate responsibility. Because it is issued an operating budget, it is also a responsibility center.

A *major claimant* (or *operating budget grantor)* is a bureau, office, or command designated as an administering office under the Operations and Maintenance, Navy (O&MN) (regular and reserve) appropriations listed in the *NAVCOMPT Manual,* volume 2, chapter 2. Major claimants receive operating budgets directly from the Chief of Naval Operations (CNO).

Obligation authority is the budgeted amount within an operating budget approved in a fixed amount for incurring obligations or unfilled orders.

An *operating budget* is the annual budget and financial authority of an activity or command that contains the resources to perform that activity's mission.

An *operating target* (OPTAR) is an authorization of funds subject to administrative control issued to a level below the responsibility center. The recipient of an OPTAR is referred to as an OPTAR holder.

A *responsibility center* is an organizational unit headed by an officer or supervisor who is responsible for the management of all resources within the unit, and who, in most cases, can significantly influence the expense incurred within the unit.

Resources consist of military and civilian personnel; material on hand and on order; the entitlement to procure or use material, utilities, services required for performance of the basic mission of the responsibility center; and work or services to be performed for others.

Ship Operating Forces include active fleet ships, amphibious battalions and units, staff and commands, and certain designated shore activities,

Threshold is an administrative money ceiling established by the fleet commander. With Op-TAR accounting, aged unfilled orders below the established threshold are authorized to be administratively cAncelled, and OPTaR funds reclaimed. By the same token, unmatched expenditures below the established threshold are authorized by the FAADC to be threshold charged by the fleet to the OPTAR without detailed review by the OPTAR holder, thereby reducing available OPTAR funds.

An *unfilled order,* for accounting purposes, is a general term used to describe a request document for material or services that has been entered in the OPTAR log. Untilled order documents (chargeable) are assembled and forwarded to the FAADC by the OPTAR holder when the procedures require the chargeable unfilled orders to be matched against expenditures submitted by issuing and paying activities.

A *work unit* is a unit of measurement such as documents processed, tonnage moved, students trained, or gallons processed. The term is used to provide quantitative information of the physical output applicable to a subdivision in the operating budget.

BACKGROUND

Under the procedures in effect before implementation of the RMS, financial management of naval activities was restricted to the materials and services that resulted in expenditures of appropriated funds granted to those activities. Little or no attention was paid to other costs such as military services, material issued at no cost (free issue), or material or services charged to open allotments. These costs were considered as other resources. In this situation, the responsible commander was only controlling a small percentage of his or her operating costs. The RMS was designed to correct this deficiency by providing the responsible commander with a budget that included all cost incurred instead of allotments to cover only limited portions of those costs. The DOD determined that management would be improved significantly if the financing of an activity was related to the total expense of the task or mission assigned and if the expenses were recognized and recorded against the OPTAR at the time they occurred instead of when they were requisitioned or when payment was made. The responsible commander's flexibility to shift resources to meet these changing demands is greatly increased by the fact that his or her budget will contain additional resources that were previously provided by individual allotments.

Four interrelated subsystems make up the RMS to meet the objectives of the DOD. They are as follows:

Programming and budgeting

Management of resources for operating units

Management of inventory and similar assets

Management of acquisition, use, and disposition of capital assets

The first, third, and fourth items are applicable primarily at the department, bureau, or inventory manager level. The AK would be most concerned with the second item. Current guidelines for the management of resources for operating units are found in *Financial Management of Resources Operations and Maintenance (Shore Activities),* NAVSO P-3006, *Financial Management of Resources Fund Administration (Operating Forces),* NAVSO P-3013-1, and *Financial Management of Resources Operating Procedures (Operating Forces),* NAVSO P-3013-2.

OBJECTIVES

The basic objectives of the RMS, as applied to operating units, are as follows:

● To determine the cost of operation of an activity in terms of total resources consumed or applied.

● To establish a system of controls that will be of maximum value to commanders. Commanders use these controls to assure that resources are used effectively and efficiently in the accomplishment of the mission of the activity.

● To furnish operating budget grantors and other levels of management, up to and including the Navy Comptroller, that degree of financial information necessary for effective coordination and control of resources.

These objectives are achieved by implementation of the planning, programming, and budgeting system and the use of such functional terms as funds, appropriations, expense operating budgets, responsibility centers, cost centers, expense elements, and OPTARs. With an understanding of the interlocking functions of all these factors, the fiscal side of supply becomes a clear and

purposeful system. The material presented in this TRAMAN provides the necessary background information. Perhaps AKs may not be personally involved in the consolidation of budget estimates; however, it will be helpful if they know how the process is carried out and how the action taken at higher levels may both depend upon and affect what they do locally,

The RMS affects the entire management process in the DOD. The following paragraphs briefly define steps in the management process. Figure 2-1 indicates the normal sequence of the steps in the management cycle.

Planning in DOD is concerned with developing long- and midrange strategy and operational concepts, objectives, and requirements based on continuously projected appraisals of the world situation and on technological and intelligence forecasts.

Programming is concerned with setting specific 5-year defense goals and the schedule for achieving them, grouping functions and activities sharing the same objectives into major programs, and estimating resource requirements for each.

Budgeting is the function of formulating 1-year projections of resource requirements for programs, balancing priorities in the competition for limited resources, and obtaining associated funds.

Accounting is the function of measuring the results of performance (progress and status of
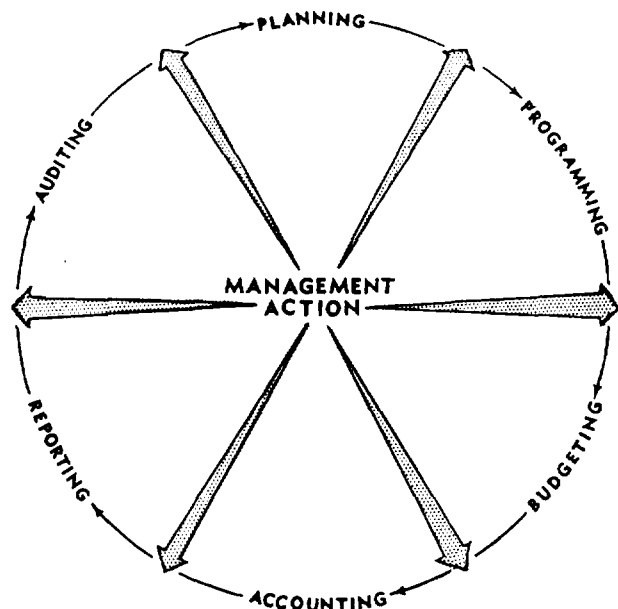

Figure 2-1.—Department of Defense management process.

programs), usually in financial terms, both for functional areas and organizational units.

Reporting is concerned with transmitting financial and nonfinancial information on the status and progress of programs to appropriate management levels.

Auditing is the function of reviewing the accuracy of recorded and reported results, and judging both the adequacy of established policies and procedures and the activity's compliance with them.

RESOURCE MANAGEMENT SYSTEM AT THE OPERATING FORCES LEVEL

Each TYCOM (or equivalent) is responsible for the development of resource requirements, administration of available funds, and continuous analysis of the status of OPTARs issued, including the efficient and effective use of them. Corrective action is taken where necessary in the research and reconciliation of unfilled orders, unmatched expenditures, and expenses incurred.

FINANCIAL RECORDS

The duties and responsibilities of the financial recordkeeper are vitally important, especially at Shipboard Uniform Automated Data Processing System-Real Time (SUADPS-RT) activities. The financial recordkeeper must perform both OP-TAR accounting and Navy Stock Fund (NSF) accounting. TYCOMs issue separate OPTARs for the operation and maintenance of the activity, for the repair of other vessels, and for flight operations. These OPTARs are administered and reported by the *Financial Management of Resources Operating Procedures (Operating Forces),* NAVSO P-3013-2. The NSF is administered and reported as prescribed by various Naval Supply Systems Command (NAVSUP) and NAVCOMPT manuals. The financial recordkeeper must recognize that the OPTAR funds are separate from the NSF. However, there is a relationship between these two funds that must be understood.

NAVY STOCK FUND

The NSF is a revolving fund established by Congress to purchase material carried in stock ashore as inventory by the Navy stock points and material carried afloat by destroyer tenders (ADs),
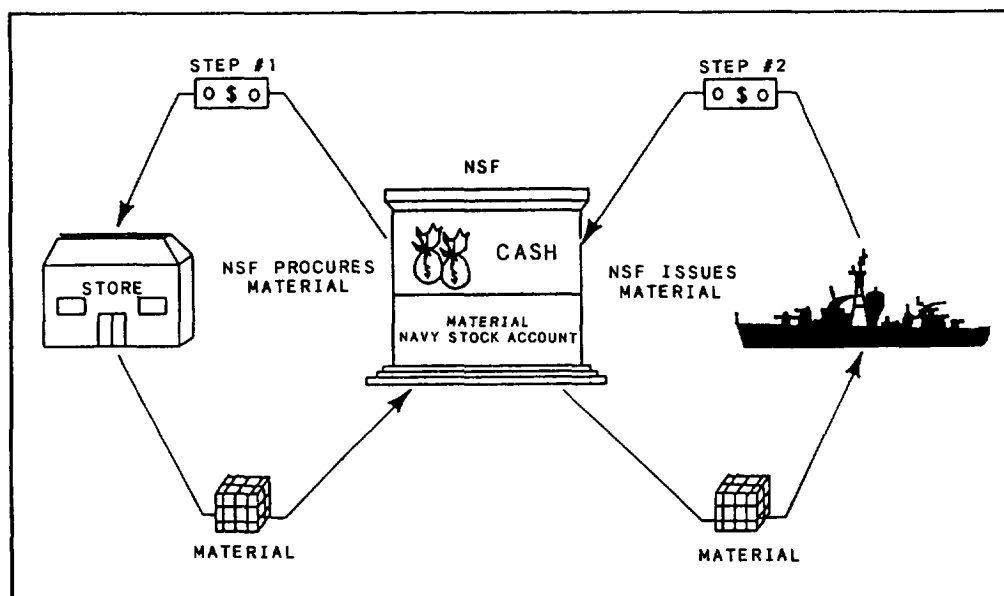

Figure 2-2.—The Navy Stock Fund (a revolving fund).

repair tenders (ASs), combat stores ships (AFs), aircraft carriers (CVs), nuclear-powered carriers (CVNs), amphibious assault ships (LPHs), helicopter assault landing ships (LHAs), and marine air groups (MAGs). These activities spend NSF dollars to procure items expended to art end-use customer. The fund is reimbursed when material is requisitioned for use by charging the customer's OPTAR and crediting the NSF. This transaction returns the money to the NSF so replacement material may be purchased and the revolving fund continued, as shown in figure 2-2.

The amount of the NSF is determined by Congress and, when approved, is passed down through the chain of command to the Department of the Navy, as shown in figure 2-3. Within the Department of the Navy, the Naval Supply Systems Command (NAVSUPSYSCOM) is responsible for the overall administration of the NSF.

NAVY STOCK ACCOUNT

For accountability, material procured with Navy Stock Account (NSA) money is classified as NSA material, and activities that stock this material are called NSA activities. The primary mission of afloat units such as tenders, repair ships, and combat stores ships is repair and/or supply support. Although the primary mission of aircraft carriers, amphibious assault ships, and MAGs is combat, they also are assigned a supply support function. Therefore, these activities are considered intermediate supply facilities and are authorized to carry NSA material as inventory. Material carried in inventory aboard these activities is in special accounting class (SAC) 207
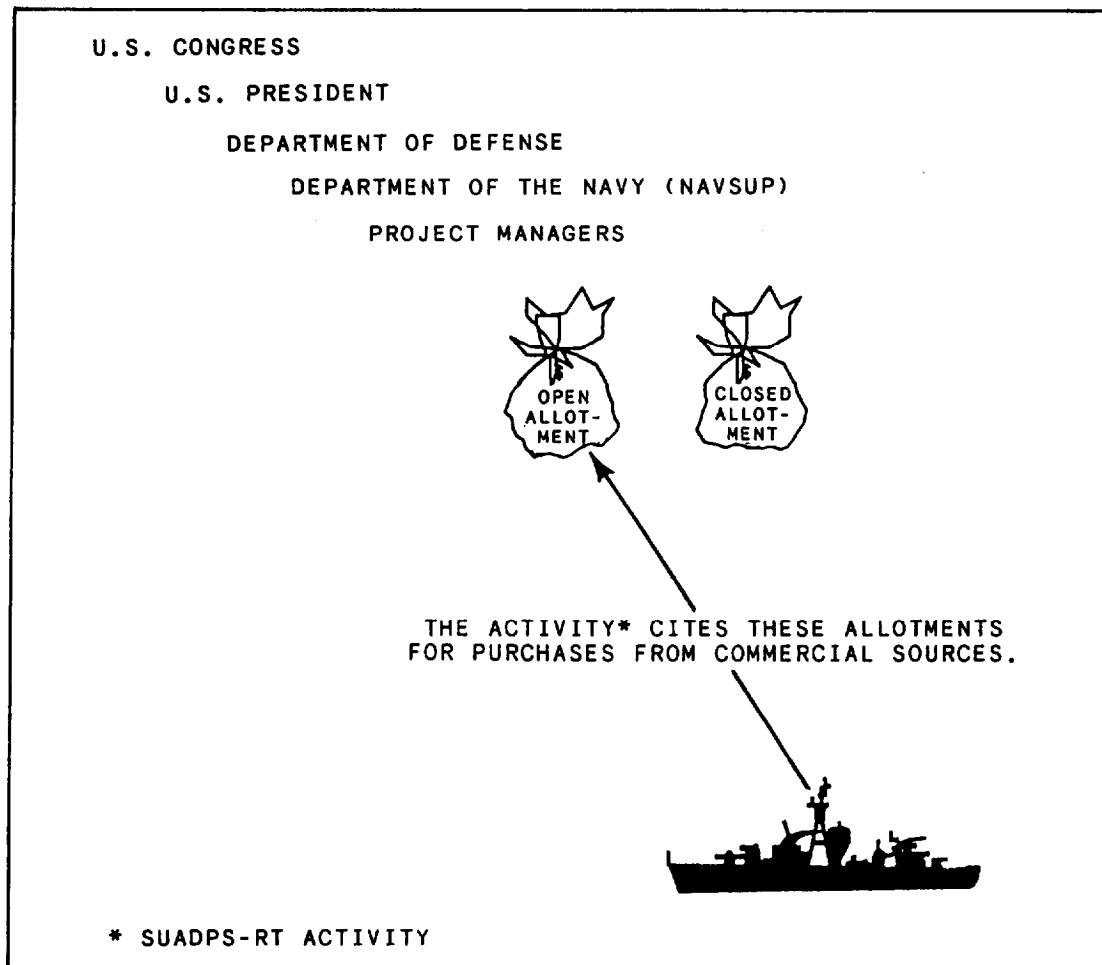
Figure 2-3.—Distribution of the Navy Stock Fund.

to differentiate it from NSA material at other stock points as shown in figure 2-4.

SPECIAL ACCOUNTING CLASS 207 TRANSACTIONS

When SUADPS-RT activities requisition material for stock or direct turnover (DTO), they use NSF money by citing the SAC 207 fund code on the external requisition. When the material is received, it is recorded as a receipt in the NSA. When this material is issued to departments for use, OPTAR funds are used to reimburse the NSF. This is done by citing the activity's unit identification code (UIC) and the TYCOM's fund code on the issue document, resulting in a charge to the OPTAR fund and a reimbursement to the NSF. For DTO receipts, the SUADPS-RT computer processes the receipt into the SAC 207 fund and generates a charge to the end user's OPTAR fund.

NAVY STOCK ACCOUNT MATERIAL

OTHER STOCK ACCOUNT MATERIAL

SPECIAL ACCOUNTING CLASS 207

THE MATERIAL CARRIED AS INVENTORY ABOARD TENDERS, REPAIR SHIPS, COMBAT STORES SHIPS, AIRCRAFT CARRIERS, AMPHIBIOUS ASSAULT SHIPS, AND MARINE AIR GROUPS IS IDENTIFIED AS SPECIAL ACCOUNTING CLASS 207.

Figure 2-4.—Navy Stock Account and SAC 207.

FLOW OF FUNDS

It is a policy of the Secretary of the Navy (SECNAV) that the accounting effort performed by Navy Operating Forces be kept to the absolute min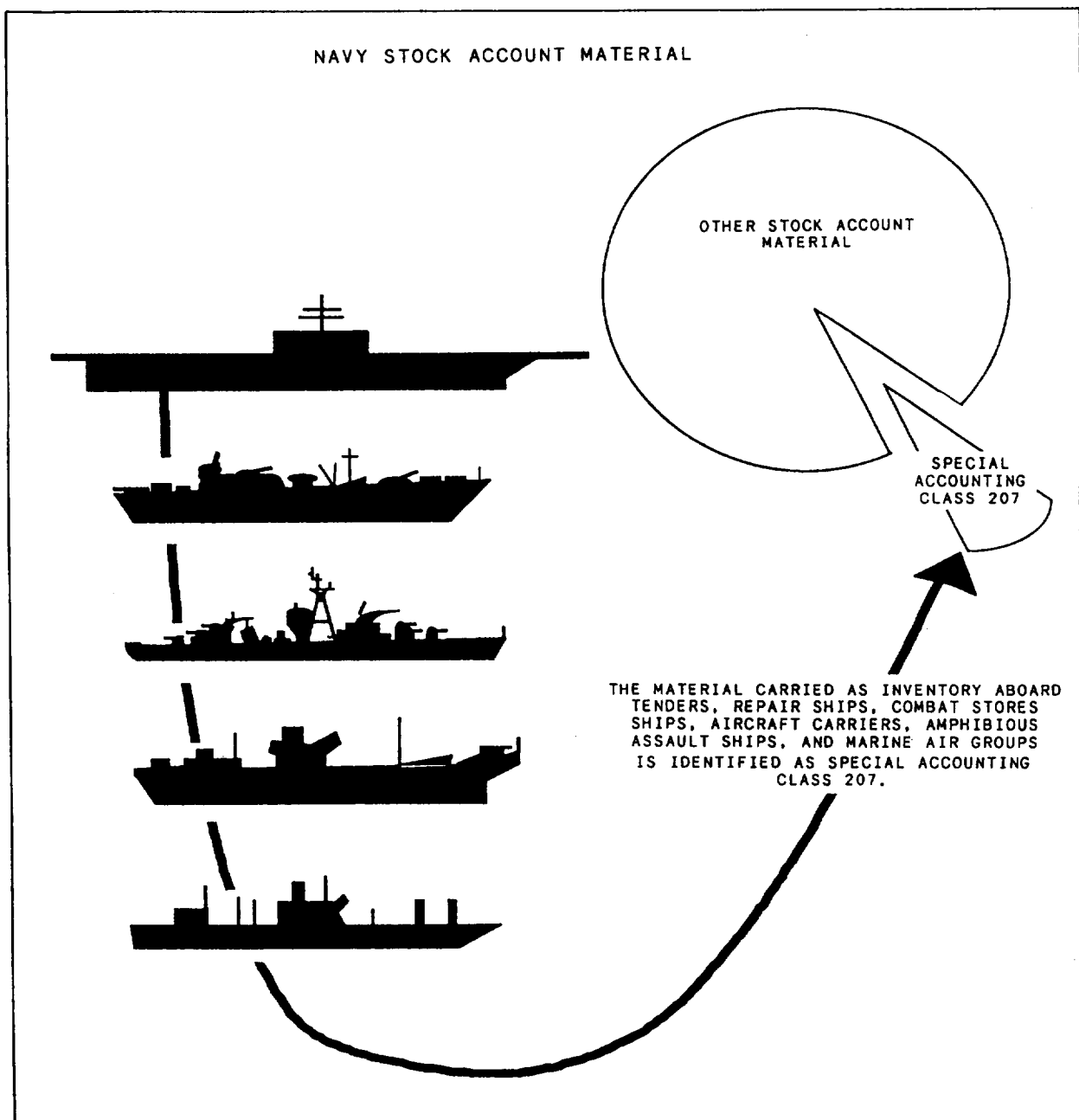imum. The responsibility y for formal accounting is to be placed ashore. All material and services requisitioned by a Navy squadron ultimately cost the U.S. Government money. Since the requirement for these items originates in the squadron, it follows that financial responsibility starts there as well, The next higher level of financial responsibility is the aircraft controlling custodian (ACC) or TYCOM (fig. 2-5). The AK2 does not get involved with funding above the ACC or TYCOM level. Therefore, for the purposes of this TRAMAN, a discussion of funding is limited to the ACC or TYCOM and the cost center.

FLEET ACCOUNTING AND DISBURSING CENTER MANAGEMENT REPORTS

The fleet accounting and disbursing centers (FAADCs) perform the official accounting and reporting for OPTARs issued by the TYCOM. The FAADCs establish the necessary controls to maintain and prove the accuracy and propriety of transactions. These controls include the required document files and related accounting records.

The FAADCs maintain records of each obligation document and, as requisitioned material is supplied and vouchers paid, match them to the expenditure documents received from the supply activities and disbursing office. The result is reported to the ship or squadron by listings prepared on data processing equipment. The listings allow OPTAR AKs to make necessary corrections to the appropriate records and to report any errors to the FAADC.

To help in the proper accounting of fleet funds held by the individual OPTAR holders, the FAADCs, U.S. Atlantic Fleet (FAADC-LANT) and U.S. Pacific Fleet (FAADCPAC), periodically submit several transaction listings to the fleet units for review, validation, or correction.
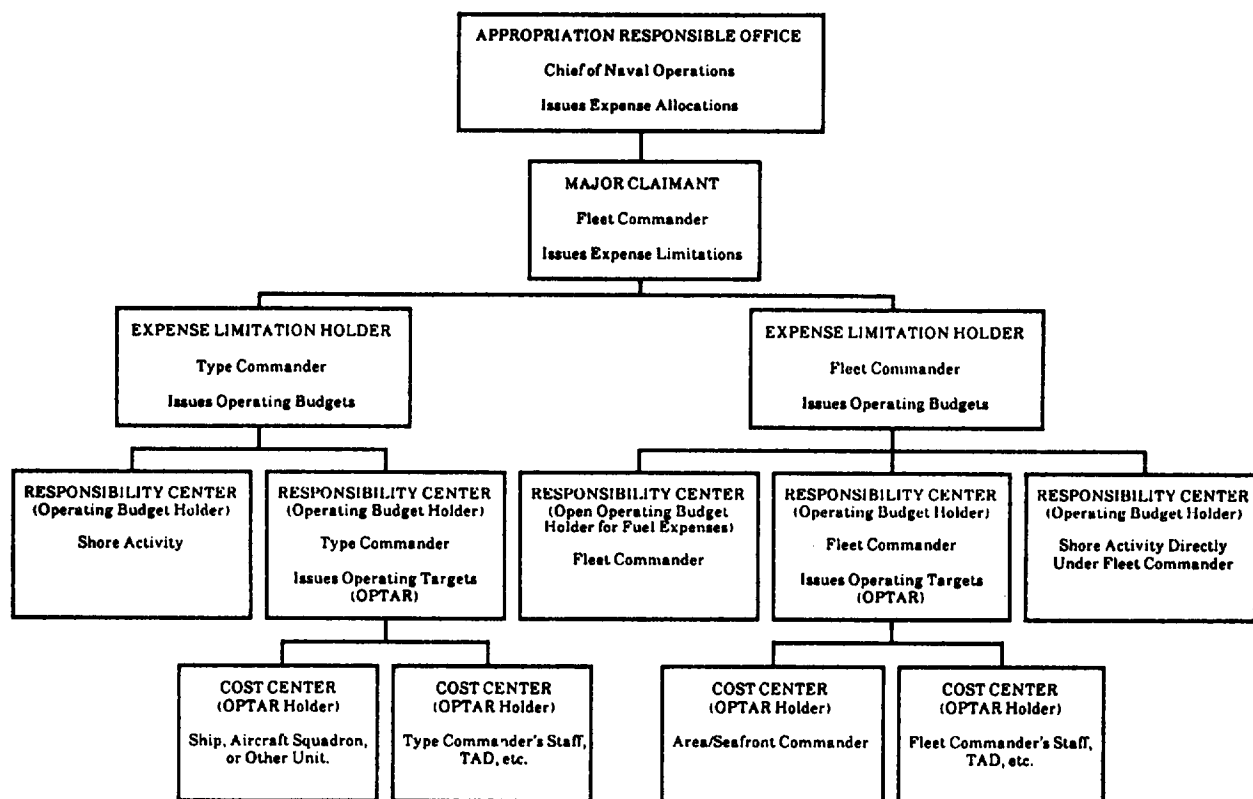

Figure 2-5.—Flow of funds for Operations and Maintenance, Navy.

FUND IDENTIFICATION

The fund identification system is broken down into several elements. These elements are discussed in the following paragraphs.

Appropriation Symbol

An appropriation symbol consists of a seven-digit number identifying the government agency responsible for administering the appropriation, the fiscal year, and the specific appropriation. Table 2-1 is an example of an appropriation symbol.

Subhead Symbol

The four-digit subhead symbol for the O&MN appropriation identifies the major program of the Five-Year Defense Plan (FYDP). The first two digits represent the last two digits of the major claimant's UIC. The third digit identifies the major program or budget activity of the FYDP. The fourth digit is a zero at the major claimant (fleet) level. Table 2-2 is an example of a subhead symbol.

Expense Limitation

An expense limitation cites the same subhead from which it is issued, except that the fourth digit is an alphabetic or numeric character by the major claimant to identify the expense limitation holder. Table 2-3 is an example of an expense limitation subhead symbol.

OPTAR FUNDS

The term *operating target* (OPTAR) is defined as an estimate of the amount of money that will

Table 2-2.—Subhead Symbol

60   2   0

Commander in Chief, U.S.
Atlantic Fleet

Program 2, General Purpose
Forces

Zero indicates fleet level
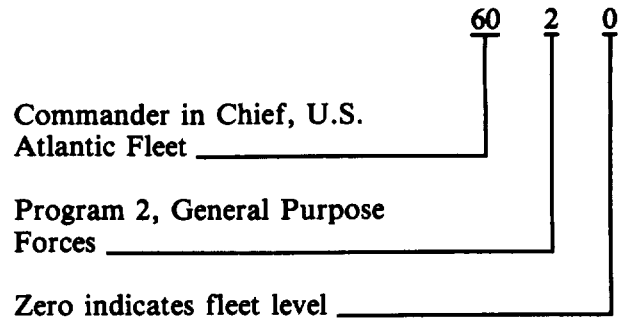
be required by an operating ship, staff, squadron, or other unit to perform assigned tasks and functions.

Each year Congress enacts an O&MN appropriation that authorizes the Navy to buy needed material and services. A portion of this appropriation is passed down through the chain of command to the activity in the form of an OPTAR grant. As shown in figure 2-6, SUADPS-RT activities receive OPTAR grants from the TYCOMs. The number and type of OPTAR grants provided these activities depend on the mission of the activity. All SUADPS-RT activities (except MAGs) receive supplies and equipage (S&E) OPTAR grants to cover the operation and maintenance of the activity. They may also receive a reimbursable OPTAR when a requirement exists to provide work or services to another TYCOM or government department as directed by the activity's TYCOM. Tenders and repair ships receive repair of other vessels OPTARs to finance the material or services used in the repair of other ships. Aircraft carriers, amphibious assault ships, and MAGs receive

Table 2-1.-Appropriation Symbol

17   9   1804

Department of the Navy

Fiscal Year 1989

Operation and Maintenance,
Navy (O&MN)

Table 2-3.—Expense Limitation Subhead Symbol

60   2   E

Commander in Chief, U.S.
Atlantic Fleet

Program 2, General Purpose
Forces

Commander, Naval Air Force,
U.S. Atlantic Fleet
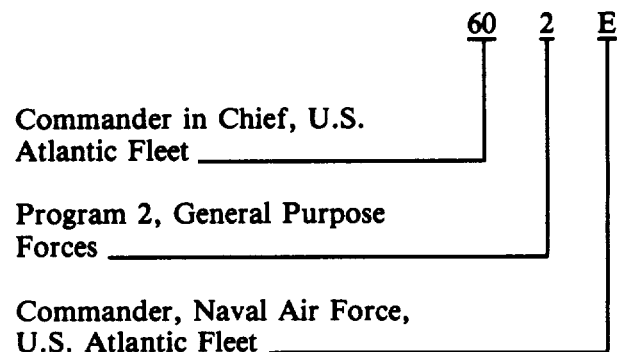
Figure 2-6.-Distribution of OPTAR funds.

aviation fleet maintenance (AFM) OPTARs to cover the cost of aircraft maintenance. Aviation squadrons receive flight operations (FLTOPs) OPTARs to cover the cost of flight operations maintenance.

To determine the authorized charges to each of the above mentioned OPTARs, refer to NAVSO P-3013.

OPTAR ACCOUNTING

Procedures for the accounting of an activity's OPTAR are explained in detail in *Financial Management of Resources (Operating Forces.), NAVSO P-3013; Automated Snap I Supply Procedures, volume 2;* and *SUADPS-RT Support Procedures, Financial Management Subsystem,* volume III. All these publications are important background references for AKs involved in OPTAR accounting.
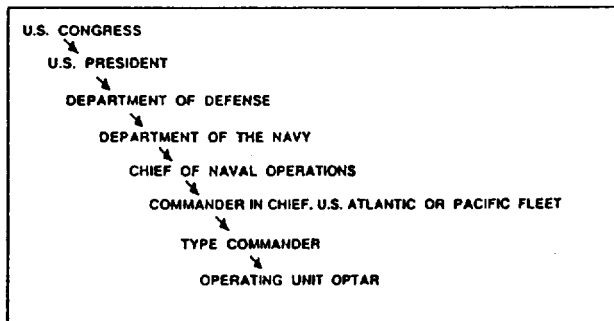
THRESHOLD CONCEPT

Much time and effort has been spent by the OPTAR holders and the FAADC in researching and verifying or correcting all transactions appearing in the various transaction listings. Due to the volume of transactions, significant processing delays by both parties have in the past resulted in unworkable backlogs of corrections to the official accounting records. Therefore, threshold procedures have been established to prevent spending undue time and effort on small dollar transactions for operation and maintenance material and services. The dollar level at which the threshold is established is a management prerogative of the fleet commanders. Currently, the threshold is $100 per order in both Atlantic and Pacific Fleets. Under this procedure, when

a below threshold category expenditure document ($100 and less) does not match with a corresponding unfilled order document during the second monthly reconciliation process, the FAADC is authorized to lodge the charge against the OPTAR holder without achieving a match. Expenditure documents above threshold ($100 and above) are charged to the OPTAR under similar procedures, if remaining unmatched during the second monthly reconciliation process. These above and below threshold charged expenditures are reported to the OPTAR holder as part of the difference by the FAADC on the Summary Filled Order/Expenditure Difference Listing (SFO/EDL). In addition, the OPTAR holder is authorized to administratively cancel unfilled orders when material has been received 60 days before the date of the Aged Unfilled Order Listing, thereby permitting recoupment of OPTAR funds on the assumption that either the expenditure has been threshold charged or that no expenditure document will be received. The $100 value per line item has equal application in the review and validation or rejection of expenditures charged to open operating budget transactions.

GENERAL FUNDING AND ACCOUNTING

The TYCOMs issue an operating budget from the applicable FYDP expense limitation to finance the operations, maintenance, administrative, and temporary additional duty (TAD) travel requirements of their own staff and of units assigned. Records are maintained to show the value of transactions incurred and the available balance of the operating budget, including the values for each OPTAR granted. In addition, submissions of budget reports are required to report the expenditures incurred by expense elements, Each ship, aviation squadron, or command issued an OPTAR is responsible for the efficient and effective use including accurate and timely accounting and reporting according to procedures outlined in NAVSO P-3013. Prompt action must be taken in the search and validation of transactions reported by the FAADC relative to the status of each OPTAR held by the command.

To accomplish these accounting and reporting requirements, copies of chargeable requisitions (unfilled orders) are forwarded by each OPTAR holder to the designated FAADC for reconciliation with corresponding expenditures. During the

second monthly reconciliation process, unmatched expenditure documents for material or services below the dollar threshold amount established by the fleet commander will be automatically threshold charged to the OPTAR by the FAADC as a difference. Above threshold unmatched expenditures will also be recorded to the OPTAR in the same manner. However, if the expenditure (debit or credit) is $1,000 or greater, the transaction will be held in suspense pending validation by the FAADC. Expenditures applicable to reimbursable OPTARS are exceptions to the threshold concept and require reconciliation with corresponding unfilled orders in every case. Since the threshold charge procedure has the effect of reducing the OPTAR balances, threshold procedures are also applied to aged unfilled orders, which allow for administrative cancellation and reclamation of OPTAR funds.

Therefore, upon receipt of the various transaction listings from the FAADC, it is necessary that the OPTAR holder initiate the required validation and specified action to make sure the maximum use is made of the OPTAR funds provided. The accuracy and timeliness of OPTAR record-keeping and reporting determine the accuracy and timeliness of financial management information available to each successive level of command for management of available resources. Figure 2-7 shows the flow of accounting data.

REQUISITION ACCOUNTING DATA

A fund code is cited on all requisitions to identify the chargeable operating budget and expense element. The accounting data is entered on each purchase document and on all other supply documents that require a complete field of accounting data. Travel orders, work requests, and project orders are not considered as supply documents and should be prepared according to paragraph 4403 of the NAVSO P-3013-2. Each of the nine data fields of a complete line of accounting requires a specific number of data elements to complete its data field. When a data field does not contain sufficient digits to completely fill the data field, zeros are entered preceding the first significant digit to complete the field. When a data field is not required, zeros are entered to completely fill the data field. Country codes are NOT considered as one of the nine data fields of a complete line of accounting data and blocks printed with the term *country* are to be left blank. The disbursing office assigns the country codes according to the *NAVCOMPT Manual,* paragraphs 027002 and 046027.

Here is an example of a complete line of accounting data (for material or services) with an explanation of each element.

<u>1791804.602D</u> <u>000</u> <u>57025</u> <u>A</u> <u>060951</u> <u>2D</u> <u>V03367</u> <u>0083051234BC</u>

   (1)   (2)   (3)   (4)   (5)   (6)   (7)   (8)   (9)

(1) Appropriation (7 characters)

(2) Subhead (4 characters)

(3) Object class (will be 000 unless the transaction affects the international balance of payment (IBOP). For IBOP transactions, see the *NAVCOMPT Manual*, paragraph 027002 (3 characters)

(4) Bureau control number (UIC of the operating budget holder) (5 characters)

(5) Suballotments (operating budget suffix) (1 character)

(6) UIC of authorization accounting activity (6 characters)

(7) Transaction-type code (cite 2D) (2 characters)

(8) Property accounting activity (service designator code and UIC of requisitioner) (6 characters)

(9) Cost code (consists of 2 zeros, followed by Julian date and serial number of requisition, followed by applicable fund code) (12 characters)
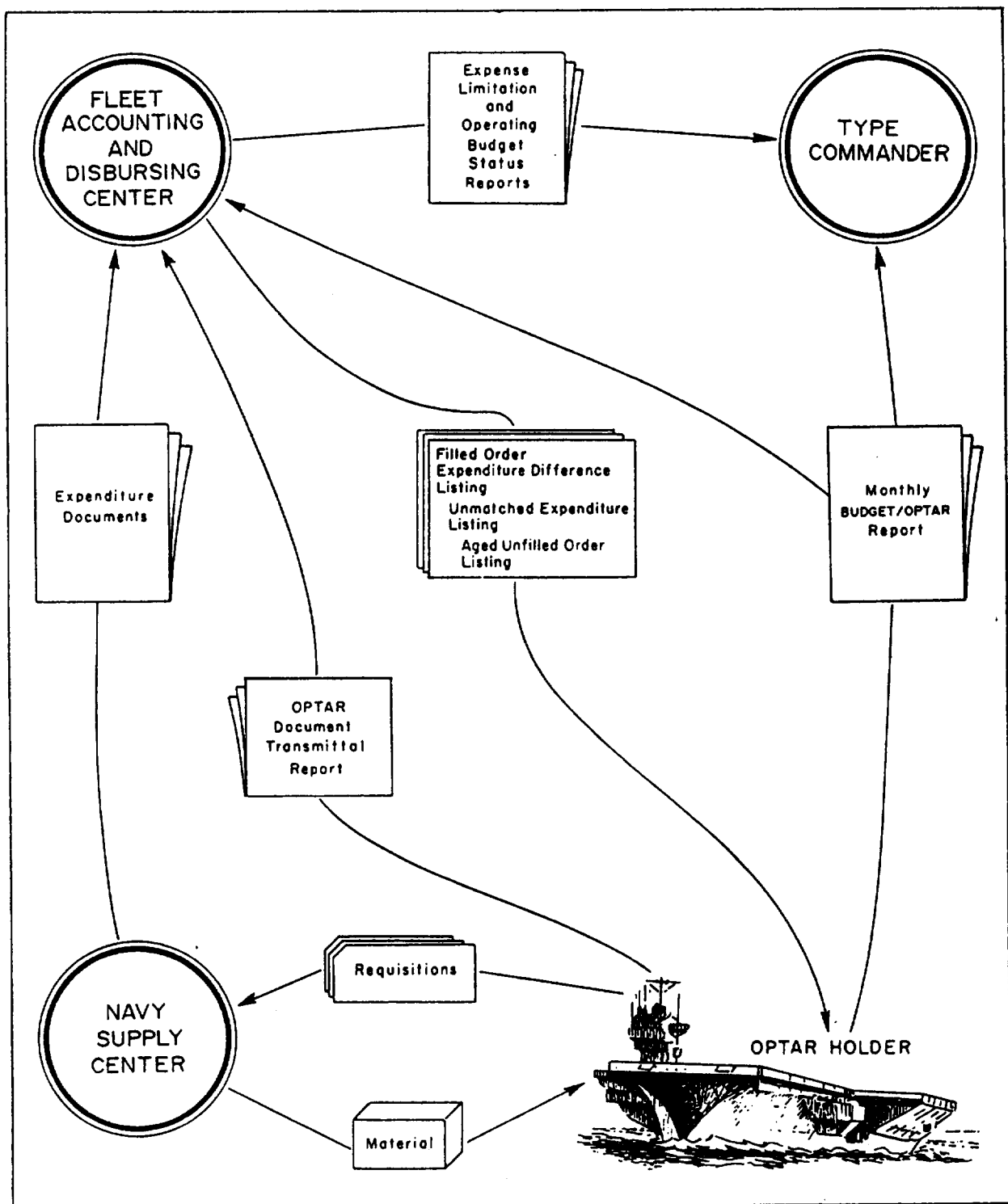
Figure 2-7.—Flow of accounting data.

Fund codes and accounting classifications for use by the Operating Forces are contained in appendix II of NAVSO P-3013.

OPTAR RECORDS, LOGS, AND FILES

Refer to *Financial Management of Resources,* NAVSO P-3013, for detailed procedures in the preparation of OPTAR records, logs, and files.

Requisition/OPTAR Log

Each activity establishes a Requisition/OPTAR Log, NAVCOMPT Form 2155, to record OPTAR grants and the value of transactions authorized to be incurred as chargeable to the TYCOM operating budget. A separate requisition/OPTAR log is established for each OPTAR received. Aviation Consolidated Allowance List (AVCAL) holders maintain an AVCAL Requisition/OPTAR Log, NAVCOMPT Form 2206, as an AVCAL account. The AVCAL OPTAR log is maintained by SUADPS-RT processing. When consolidated accounting is authorized, the command establishes a requisition/OPTAR log for each ship, aviation squadron, or unit concerned. The requisition/OPTAR log parallels and provides a check on the official accounting records maintained by the FAADC. OPTAR grants are entered on the log and reduced by the value of chargeable requisitions (unfilled orders). All chargeable requisitions and purchase orders must be recorded. All nonchargeable requisitions such as appropriation purchases account (APA) or free issue material are also entered; however, these documents have no effect on the OPTAR balance. In addition, all differences (increases or decreases) reported by the FAADC on the SFO/EDL must be entered in the log and the OPTAR balance adjusted. A mechanized requisition/OPTAR log with data files maintained according to data processing approved by the TYCOM (and Office of the Comptroller of the Navy, if applicable) satisfies the requirements of the requisition/OPTAR log.

OPTAR Holding Files

OPTAR holding files are established by fiscal year for each OPTAR received to hold the appropriate accounting documents and listings pending transmittal to the FAADC. The contents of the holding files are as follows:

File 1. Unfilled Order Chargeable Documents for Transmittal. This file contains the accounting copy DD Form 1348 green copy, DD Form 1348m, and DD Form 1149. Underway replenishment requisitions and all debit adjustment documents that increase the estimated cost chargeable based on an advance price change are also included. Requisitions for no-cost items are not placed in this file. All documents are priced, extended, and entered in the Estimated Cost Chargeable section of the requisition/OPTAR log for the period involved, with a decrease to the OPTAR balance.

File 2. Unfilled Order Cancellation Documents/Lists for Transmittal. This file contains lists of confirmed cancellations or copies of individual cancellation documents, advance downward price adjustments, and copies or lists of administrative cancellations of above threshold unfilled orders that decrease the estimated cost chargeable (credit adjustments). All documents are priced, extended, and entered in the estimated cost chargeable section of the requisition/OPTAR log for the period involved, with a corresponding increase to the OPTAR balance.

OPTAR TRANSMITTALS AND REPORTS

The required transmittals and reports are the OPTAR Document Transmittal Report and the Budget/OPTAR Report. These reports may be produced manually or by the automated SUADPS-RT system.

OPTAR Document Transmittal Report, NAVCOMPT Form 2156

All unfilled orders, cancellation documents, processed FAADC listings (or detailed cards), and other transaction documents that affect the status of the OPTAR are transmitted to the FAADC on an accurate and timely basis to permit the up-to-date maintenance of the official accounting records of the TYCOM or other operating budget holder,

Manual (nonautomated) OPTAR holders will remove the documents in holding files 1 and 2 and transmit them to the appropriate FAADC with the OPTAR Document Transmittal Report, NAVCOMPT Form 2156, on the 15th and last day of each month for current fiscal year OPTARs. OPTAR holders operating under the automated SUADPS procedures will submit to the appropriate FAADC mechanized unfilled order (obligation) documents along with an OPTAR

Document Transmittal Report, NAVCOMPT Form 2156, on the last day of each month for current fiscal year OPTARs. SUADPS OPTAR holders only submit detail unfilled order (obligation) documents for some of their transactions (for example, reimbursable OPTAR transactions, flight operations, and services). Refer to figure 2-8 for the frequency of submission of the OPTAR document transmittal reports.

Budget/OPTAR Report

Under normal circumstances, the message Budget/OPTAR Report, NAVCOMPT Form 2157, is used to report Budget/OPTAR Report data, However, when the operating unit is in the immediate vicinity of the FAADC or during periods of message MINIMIZE, the report is prepared and submitted instead of the message report. When prepared, the Budget/OPTAR Report is submitted by hand or mail to the FAADC, with a copy to the TYCOM, no later than the first workday of the month following the month to be reported. When a message report is submitted, the report is sent to the FAADC, with a copy to the TYCOM no later than the second day of the month following the end of the month being reported. In addition, when the message report is submitted, the Budget/OPTAR Report copy is NOT submitted. Refer to figure 2-9 for

For the Current Fiscal Year OPTAR	Monthly (by the first workday of the month following the month being reported upon)
For the Last Fiscal Year OPTAR (Prior Year 1)	For the report months of October, November, December, January, February, and March: Monthly (by the first workday of the month following the month being reported upon) For the report months of April, May, June, July, August, and September: Only for months in which there is a change in gross obligations*
For the Fiscal Year Before the Last OPTAR (Prior Year 2)	Only for months in which there is a change in gross obligations*

*Note: There is a change in gross obligations when there has been a change in the Estimated Cost Chargeable portion of the Requisition/OPTAR Log, NAVCOMPT Form 2155 (and therefore also block 22 of the Budget/OPTAR Report).

Figure 2-9.-Frequency of transmittal of the Budget/OPTAR Report, NAVCOMPT Form 2157.

the frequency of transmittal of the Budget/OPTAR Report.

FAADC TRANSACTION LISTINGS

The designated fleet accounting offices (FAADCLANT and FAADCPAC), as the authorization accounting activities, perform the official accounting for OPTARs granted to ships, aviation squadrons, and other commands, as assigned. One part of the accounting process performed for each OPTAR holder is the matching of unfilled order documents transmitted by OPTAR holders with the corresponding expenditure documents received from supply activities. The reconciliation process results in the production of listings that provide a report of transactions affecting the OPTAR holder's funds. Some of these listings are submitted to the OPTAR holder for review and processing. Copies of the listings, annotated with the action taken, are returned by the OPTAR holder to the FAADC so the official accounting records can be correctly

For the Current Fiscal Year OPTAR	NONAUTOMATED OPTAR HOLDERS on the 15th and last day of the month* SNAP II OPTAR HOLDERS on the 15th and last day of the month* SUADPS OPTAR HOLDERS on the last day of the month*
For the Last Fiscal Year OPTAR (Prior Year 1)	On the last day of the month but only if holding file 1 or 2 contains (a) document(s) for the FAADC
For the Fiscal Year Before the Last OPTAR (Prior Year 2)	On the last day of the month but only if holding file 1 or 2 contains (a) document(s) for the FAADC

*Note: If there is/are no document(s) in holding file 1 or 2, the transmittal will be skipped. However, except for deployed submarines, this would be unusual for a current fiscal year OPTAR.

Figure 2-8.-Frequency of submission of the OPTAR Document Transmittal Report, NAVCOMPT Form 2156.

maintained. These transactions listings are as follows:

Detail Filled Order/Expenditure Listing (as required)

Summary Filled Order/Expenditure Difference Listing (monthly)

Aged Unfilled Order Listing (monthly for the 4th through the 15th month and quarterly thereafter)

Unmatched Expenditure Listing (quarterly)

The above listings, as applicable, are submitted to the OPTAR holder and should be reviewed immediately upon receipt, validated or corrective action taken, and returned to the FAADC as soon as they are processed. Except for reimbursable OPTARs, TAD transactions, and certain fleet command level funds, these listings are submitted during the current year and the next 24 months thereafter for each fiscal year appropriation. Listings applicable to reimbursable OPTARs and other special funds or transactions are submitted for the 36-month life cycle of the appropriation.

The Detail Filled Order/Expenditure Listing is for backup purposes only and is retained by the FAADC. Figure 2-10 shows the distribution cycle for FAADC transactions listings.

Summary Filled Order/Expenditure Difference Listing

The Summary Filled Order/Expenditure Difference Listing (SFO/EDL) (original and one copy) is forwarded monthly by the FAADC to individual OPTAR holders for each OPTAR held. The listing is a report of all filled orders with a difference of $100 or more, as shown in figure 2-11. OPTAR holders accept and post to the requisition/OPTAR log all differences shown on the SFO/EDL. All differences are listed by fund code. After posting the differences, the OPTAR holder reviews the listing and annotates transactions considered invalid with the appropriate rejection code. Rejection codes are listed in the NAVSO P-3013, paragraph 4108. The valid rejections are reversed and a correction appears on the next summary list from the FAADC. Differences of $3,000 or more are manually researched by the FAADC before being reported to the OPTAR holder, and these differences must be accepted unless the investigation positively shows the difference to be invalid.
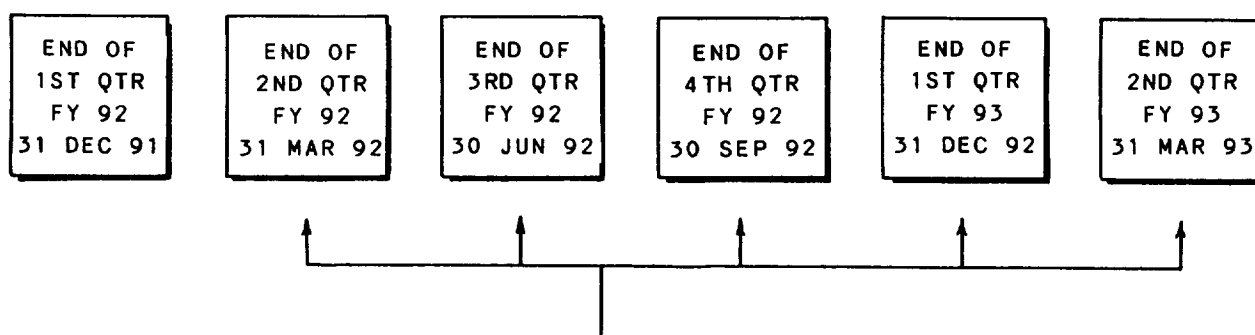
NOTE:
THE AGED UNFILLED ORDER LISTING IS NOT RECEIVED AT THE END OF THE FIRST QUARTER OF THE CURRENT FISCAL YEAR, BUT IS RECEIVED MONTHLY FOR THE 4TH MONTH THROUGH THE 15TH MONTH AND QUARTERLY THEREAFTER. THE SUMMARY FILLED ORDER/EXPENDITURE/DIFFERENCE LISTING IS RECEIVED MONTHLY, BEGINNING WITH THE FIRST MONTH OF THE CURRENT FISCAL YEAR AND CONTINUING THROUGH THE SECOND QUARTER OF THE NEXT FISCAL YEAR.

Figure 2-10.-FAADC transaction listings submission cycle.

THIS REPORT WILL BE PROCESSED ACCORDING TO PAR. 4108-3 OF NAVSO P3013.

RPT SYM $284.04.08A

FY 93 EL 702C   OB 57017   OH R0554

SUMMARY FILLED ORDER/EXPENDITURE DIFFERENCE LIST FOR MARCH 1993

PROCESSED 04/23/93   PAGE   1

DOCUMENT NO UIC JD SN	FC DOC ID	TL IC ISS	NO ACT	PRI I D	BILL/SUP VO NO	AD	UI	COG	STOCK NUMBER FSC NIIN	A C	POE/SUM DATE	QTY	AMOUNT	REMARKS
R0554 72940021	KE ZOA													
R0554 72940021	KE ZJ1		002	20		1H		2090	003436601					
R0554 72940021	KE ZOA		00638	0315		1H		2090				1		
			002	20		1H		2090	003436601			1		

PAGE   2

| R0554 72990030 | KR ZOA | | 002 | 20 | | | | | | | | | | |
| R0554 72990030 | KR ZJ1 | | 00638 | 0315 | | | | | | | | | | |

R0554 7300...

SUMMARY FILLED ORDER/EXPENDITURE DIFFERENCE LIST FOR MARCH 1993

PROCESSED 04/28/93

RPT SYM $284.04.08A

FY 93 EL 702C   OB 57017   OH R0554

DOCUMENT NO UIC JD SN	FC DOC IC ISS	TL	NO ACCT	PRI I D	BILL/SUP VO NO	AD	UI	COG	STOCK NUMBER FSC NIIN	A C	POE/SUM DATE	QTY	AMOUNT	REMARKS
								9Q	7110 002050821			2	24.00	
												1	75.00	AD CANC
R0554 80360120	KR ZOA		013										0.00	DIFFERENCE
R0554 80360120	KR FX1		805	1270	24096								51.00	
												1	55.00	
								9Q				2	110.00	DIFFERENCE
R0554 80380128	KC ZOE		013										55.00	
R0554 80380128	KC FX1		805	1270	R2087									

UNFILLED ORDERS   FILLED ORDERS   PART ORD ESTAB   DIFFERENCE   MATCHED EXPEND   UNMATCHED EXPEND

	UNFILLED ORDERS	FILLED ORDERS	PART ORD ESTAB	DIFFERENCE	MATCHED EXPEND	UNMATCHED EXPEND
FC KE DIF				8.66CR		
FC KR DIF				406.94		
OTHER DIF				274.12		
			154.00	591.40	3,216.97	2,419.87
		2,625.57	3		26	6
OH $ VALUE	1,168.91	27				
OH RECORDS	15					

RPT SYM $284.03.08A   THRESHOLD CHARGES FOR MARCH 1993 - PROVIDED FOR INFORMATION ONLY

FY 93 EL 702C   OB 57017   OH R0554   PROCESSED 04/23/93   PAGE   3

DOCUMENT NO UIC JL SN	FC DOC IC ISS	TL	NO ACT	PRI I D	BILL/SUP VO NO	AD	UI	COG	STOCK NUMBER FSC NIIN	A C	POE/SUM DATE	QTY	AMOUNT	REMARKS
R0554 72980026	KR ZJ1		00445	0225		EA	IK				09/3		24.00 24.00	NO UNF ORDER DIFFERENCE
R0554 73060047	KR ZJ1		00445	0231		PR	IK				09/3		4.20 4.20	NO UNIF ORDER DIFFERENCE
R0554 73350061	KR ZJ1		00445	0250		EA	IN				10/3		38.00 38.00	NO UNF ORDER DIFFERENCE
R0554 73630085	KC ZJ1		00445	0277		PR	9N				11/3		3.00 3.00	NO UNF ORDER DIFFERENCE

TOTAL DOLLAR VALUE (INCLUDED IN DIFFERENCE TOTAL OR PRIOR PAGE) 69.20

NO NAVSO P-3013 PROCESSING REQUIRED - DETACH AND DO NOT RETURN THIS PAGE TO THE FLEET ACCOUNTING OFFICE.

*NOTE: ALL DIFFERENCES AT THE END OF THE SFOEDL ARE LISTED BY FUND CODE.

Figure 2-11.-Summary Filled Order/Expenditure Difference Listing (SFO/EDL).

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THIS REPORT WILL BE PROCESSED ACCORDING TO PAR. 4108-3 OF NAVSO P3013.P3013.

RPT SYM  $284.04.08A              AGED UNFILLED ORDER LISTING FOR MARCH 1992              PAGE   1

FY 92  EL 702C  OB 57017  OH R05504

   DOCUMENT NO   FC DOC T L  PRI  COG  UI  STOCK NUMBER    POE/SUM    QTY      AMOUNT     OPTAR HOLDER
   UIC   JD  SN     IC  NO   EDR           FSC   NIIN        DATE                         REMARKS

   R05504 72940021 KE ZOA 002  20  1H      2090  003436601              1       100.00

   R05504 72990029 KR ZOA 002  16  1H      6250  002244963              4     1,236.00

   R05504 73040053 KC ZOA 003  13  9G      6810  005944070             25        13.75

   R05504 73050054 KE ZOA 003       9D     8405  002237623 POE 10/1    14       154.00

   R05504 73050055 KC ZOE 003                               SUM 06/0    3        10.00

   R05504 73080064 KC ZOA 003  18  9D      7210  002908300              1        63.27

   R05504 73090066 KD ZOA 003  18                           POE 11/0  C9999      84.48

   R05504 73000068 KR ZOA 003  16            2825  001451031            1        58.00

   R05504 73110069 KC ZOE 003                               POE 11/0  C9999      51.41

                                                    END OF OPTAR LISTING
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Figure 2-12.—Aged Unfilled Order Listing.

Aged Unfilled Order Listing

The Aged Unfilled Order Listing, as shown in figure 2-12, is forwarded monthly (except for the first quarter of the current fiscal year) by the FAADC to the individual OPTAR holders for each OPTAR held. The listing is distributed monthly for the 4th month through the 15th month of the reporting period, and then quarterly for the 16th report month through the 33rd report month. The original only, with supporting detail cards for each line item, is provided to Atlantic Fleet ships and Operating Forces units. An original and one copy is provided to Atlantic Fleet aviation Operating Forces and all Pacific Fleet units without supporting detail cards. The Aged Unfilled Order Listing lists all unfilled orders over 120 days old held in the FAADC files that have not matched with related expenditure documents and have not been cancelled. When the material or services have been received, this indicates that the FAADC has not received the expenditure document, a number has been transposed thereby prohibiting a match and has been directly threshold charged, or the issuing activity has failed to forward an expenditure document.

Unmatched Expenditure Listing

An Unmatched Expenditure Listing (original and one copy) is forwarded quarterly, when applicable, by the FAADC to the individual OPTAR holders. The Unmatched Expenditure Listing itemizes expenditure documents (regardless of value) received by the FAADC for material or services that have not matched with an unfilled order. The Unmatched Expenditure Listing is prepared for the following categories of funds: reimbursable OPTAR transactions, ship overhaul funds, minor construction, and maintenance of real property.